

M E M O R A N D U M

TO: Governing Board Members

FROM: Doug Bergstrom, Director, Administrative Services Division

DATE: September 13, 2012

SUBJECT: Concurrence with budget transfers for Tropical Storm Isaac response

Background: This resolution seeks Governing Board concurrence with budget transfers needed to fund costs of emergency flooding response for Tropical Storm Isaac. A memorandum was signed by Ms. Meeker on August 29th approving budget transfers in advance of the September 2012 Governing Board meeting for emergency management expenditures in response to flooding caused by Tropical Storm Isaac. This authority would pay for items including, but not limited to, fuel costs, materials, supplies, contractual services, equipment rental, and other costs.

As of September 5th, costs of this emergency response, excluding personnel costs, total \$1.9 million, and includes cost of fuel, equipment, materials and services.

Costs will continue to be realized for additional materials and fuel until conditions return to normal operations which could be another 10-14 days. Because we don't know the extent of costs, in an abundance of caution we are requesting an additional \$2.1 million in budget transfer authority; which makes the potential total budget transfer need \$4.0M.

In order to fund the costs to date, budget staff moved about \$2.0M from available unencumbered balances within the ad valorem budget to reserves. To this point we have been able to avoid accessing the \$50M Economic Stabilization Reserve, and thus far have not triggered the need for repayment within a three year period as required by District policy. Budget staff is continuing to look at available balances within the budget to fund the potential need.

Personnel costs will be known after the payroll is run for this upcoming pay period. Any additional emergency/overtime costs related to the storm will be funded by projected personnel services balances of about \$9 million.

How this helps meet the District's 10 Year Strategic Plan? Budget transfers will redirect budget authority to support emergency flooding/pumping operations.

Funding Sources Impacted: This resolution will reallocate Ad Valorem Funds.

This Board item impacts the following areas of the District, both division and geography: This resolution will impact all of the Divisions of the District in response to fuel demands during FY2012.

What concerns could this Board item raise? Transactions will not alter the overall budget amount.

Why should the Governing Board approve this item? In accordance with the District's budgetary and financial control policy, any transfer of budget authority between divisions and/or between programs and between bureaus or program elements that exceed the non-capital threshold of \$150,000 and the capital threshold of \$500,000 requires Governing Board approval.

There is about \$600K in available budget transfer authority from the May 2012 Governing Board-approved fuel budget transfer authorization. We hope to use this authority to fund any additional fuel needs for normal operations once emergency pumping ends, through the end of the fiscal year on September 30th.

If you have any questions, please do not hesitate to call me at ext. 6214.

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Attachment – Resolution